

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
National Human Resources Management Center
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To: All BC, HR, ST, NI, NCS-WO and BIA Field Liaison Office Employees

From: Director, National Human Resources Management Center

Subject: OPEN SEASON – Thrift Savings Plan (TSP) **DD: 06/30/03**

The next open season for the Thrift Savings Plan begins on April 15, 2003, and ends on June 30, 2003. During this open season, as long as you are eligible, you may elect to begin contributing to the TSP, change the amount of your TSP contribution, or change the allocation of your contributions. FERS employees may elect to contribute up to 13% of the basic pay they earn each pay period; and CSRS employees may elect to contribute up to 8% of the basic pay they earn each pay period.

The TSP-1, Election Form, and the TSP-50, Investment Allocation Form, mentioned below are available on the table in the Common Area of the NHRMC Office, Building 50.

The TSP-1, Election Form, will also be available at www.tsp.gov, the TSP-50, Investment Allocation Form, will not. If you are mailing your TSP-50 to the TSP Service Office, you must use an original form.

To submit TSP-1 Election Form: After completing, submit to HR-220 for processing.

To submit TSP-50 Investment Allocation: You must use an original form and mail it directly to the address for the TSP Service Office, which is given on the TSP-50 form. This may also be accomplished electronically on the TSP web site, or by calling the Thriftline at 504-255-8777.

The earliest these forms will be accepted by HR-220 (TSP-1's)/TSP Service Office (TSP-50's) is April 15, 2003, the beginning date of the Open Season.

Eligibility

Employees will be allowed to begin contributing to the Thrift Savings Plan immediately upon appointment to a position covered by FERS or CSRS. Employees appointed to positions that are not covered by FERS or CSRS are not eligible to participate in the TSP. Essentially, all FERS or CSRS employees will have the opportunity to make a TSP contribution election during this open season. Employees appointed on or after January 1, 2002, will have 60 days from the effective date of their appointment to make a TSP contribution election.

Contribution Limits

Beginning with the May 2001 Open Season, the employee contribution limits for FERS and CSRS employees began increasing by 1% each year until the year 2006. In 2006 contribution limits will be lifted entirely. However, please note that the total amount an employee may contribute to the TSP each year will continue to be capped by the Internal Revenue Service (IRS) elective deferral limit. The IRS has announced that the annual limit on elective deferrals for 2003 will be \$12,000. As set forth in the Economic Growth and Tax Relief Reconciliation Act of 2001, the elective deferral limit will increase each year by \$1,000, until it reaches \$15,000 in the year 2006.

What happens to my Employee Contributions when the annual limit is reached?

When the annual limit is reached, your employee contributions must be suspended for the remainder of the year. The TSP system will not allow any employee contributions to be processed that will cause the total amount of contributions for the year to exceed the annual limit. Your agency matching contributions are also suspended when the annual limit on elective deferrals has been reached. If there are no further employee contributions being allowed, there can be no agency matching contributions.

Performing Interfund Transfers

Interfund transfers and investment changes can be requested at any time. Employees must use form TSP-50, TSP Investment Allocation, to accomplish an interfund transfer. If you choose to use form TSP-50, an original form should be mailed to the TSP Service Office for processing. The address is on the form. However, employees are encouraged to use the more efficient electronic media (i.e., the TSP web site at www.tsp.gov) or the Thriftline at 504-255-8777 to request investment changes or interfund transfers. To gain access to your account you will need to use your TSP PIN.

How to Make a Contribution Election

The TSP-1 Election Form (dated August 2002) should be used to start contributing to the TSP; to change the amount of your contributions to the TSP, or to stop making contributions to the TSP. (Stopping your contributions can be done at any time.)

On or after April 15, 2003, and before close of business June 30, 2003, submit your Completed TSP-1 Election Form to the National Human Resources Management Center, HR-220. Forms submitted prior to the open season beginning date of April 15, 2003, will not be accepted.

You can also submit an Open Season **change** electronically by utilizing *Employee Express* on any touch-tone phone by dialing (478) 757-3030 or by accessing their web site at www.employeeexpress.gov. REMINDER: Your Employee Express PIN is not the same as your TSP PIN. Make sure you are using the correct PIN when accessing your account. Only one method can be used to accomplish a TSP Open Season election; either by submitting a TSP-1 form or by using Employee Express. Please be aware that when you make a change in Employee Express, the Human Resources office has no record of your change. If you are asked if you want written confirmation after entering your change, say “yes” and provide a copy to HR-220 to place in your Official Personnel Folder records.

Agency Contributions to FERS Participants

Only FERS employees are entitled to receive agency contributions. If you are a FERS employee, when you become eligible, the agency makes two different types of contributions to your TSP account as part of your FERS retirement benefits. First, the agency will automatically contribute to your TSP account an amount equal to 1 percent of your basic pay each pay period. This is your Agency Automatic Contribution. You will receive these contributions whether or not you contribute your own money to your TSP account. Second, if you are contributing to your TSP account, the agency also makes Agency Matching Contributions. Matching contributions apply to the first 5 percent of pay you contribute each pay period. Your contributions are matched dollar for dollar for the first 3 percent of pay you contribute each pay period and 50 cents on the dollar for the next 2 percent of pay.

How to Make an Investment Election

The TSP-50, Investment Allocation Form, has a dual purpose. It is used to allocate your contributions to the investment fund(s) of your choice and it is also used to perform an Interfund Transfer. This form should be mailed directly to the address given on the form for the TSP Service Office at the National Finance Center in New Orleans, Louisiana. The faster methods to make these changes are to use either the www.tsp.gov web site or the TSP Thriftline at (504) 255-8777.

Effective Date of TSP-1 Changes

If your election is received on or before May 30, 2003, it will become effective on June 1, 2003. If your election is received after that date, it will be effective on the first day of the pay period following the one in which it was received. All elections must be submitted to HR-220 to arrive no later than close of business, June 30, 2003.

The next TSP open season will begin October 15, 2003, and end December 31, 2003. At that time the allowable contribution percentage will increase to 14% for FERS Employees and 9% for employees in the Civil Service Retirement System.

Current information concerning the Thrift Savings Plan may be found on their web site www.tsp.gov. If you have questions about the Thrift Savings Plan, please contact Lenna Gerwing at (303) 236-6667 or Colleen Noble at (303) 236-6690.

Signed
Linda D. Sedbrook
Director, NHRMC

Authenticated
Luron Porter